



STATE SENATOR

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Indiana State Senate
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2004 Post-Session Newsletter
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Information Emergency? DIAL 2-1-1

We are living in an age where information is as close as a click of a mouse button. In the past few years, there has been a dramatic increase in the number of agencies and help centers available to answer problems we citizens may encounter. Despite this abundance of information, it is difficult to know where to turn for specific questions. With the introduction of a new and free telephone service, help is now a short phone call away.

2-1-1 is a new service that provides immediate access to every certified

social service agency and non-profit organization in the state of Indiana. 2-1-1 offers resources for human needs,

such as food banks, shelters, and rent assistance, as well as, employment assistance such as financial and education programs. It also offers information on health insurance programs, support groups, home health care, after school programs, protective services, and volunteer opportunities.

Currently, 20 counties are using the 2-1-1 service, and legislation has been authored to establish the program throughout Indiana. House Enrolled Act

1344 requests absolutely no state money, while creating an account for future funds. 2-1-1 is generally funded with money from the United Way and their partnership with Cinergy. The Cinergy Foundation, funded by Cinergy shareholders, has pledged over \$600,000 to help fund this program over the next three years.



2-1-1 works in the same way that 9-1-1 operates for emergencies and 4-1-1 works for general information. The goal is to have this service available 24 hours per day, 7 days per week.

The state will continue to work diligently with the Indiana 2-1-1 Partnership to develop this service statewide.

HEA 1344 passed the full Senate and House and was signed into law by the governor on March 16.



State Senator

David Ford

Serving District 19 — Adams, Allen, Blackford, Grant, and Wells Counties



WORKING FOR INDIANA JOBS

Creating jobs and providing a boost to the economy are a top priority for our state. In 2003, the Senate passed legislation with significant economic development measures, dubbed the JOBS plan. Economic development is full time work, and we are constantly trying to improve our business climate here in Indiana to help more Hoosiers find jobs. Despite a \$1 billion state budget deficit, the Senate has continued to seek new ways to foster a more competitive atmosphere for businesses in Indiana.

One significant bill, House Enrolled Act 1365, should provide new momentum for our economic development efforts. It is a combination of several bills that focus on expanding small business investment, improving research and

development and encouraging growth around the state.

Economic Development Provisions Included in HEA 1365:

- **Makes research and investment tax credits permanent.**

Economic Importance: Businesses will have confidence to invest in creating innovative new products knowing the credits are stable.

- **Adds the Emerging Technology Grant Fund to the 21st Century Research and Technology Fund.**

— see JOBS, page 2

2004 Facts & Figures

The Second Regular Session of the 113th General Assembly began on Organization Day, November 18, 2003, and adjourned March 4, 2004.

This non-budget year is known as the "short" session.

Senate bills introduced: 503
Senate joint resolutions introduced: 10

Senate bills passed: 18
Senate joint resolutions passed: 0

House bills introduced: 459
House joint resolutions introduced: 7

House bills passed: 80
House joint resolutions passed: 0

Percent of introduced bills that were sent to the governor: 10%

For more information about the General Assembly's 2004 session, visit us online at: www.in.gov/legislative

Visit my site at:
www.in.gov/S19

Medicare Fraudsters Target Senior Citizens

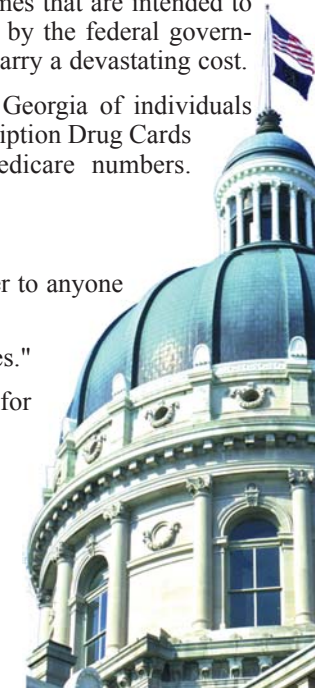
Senior citizens should be alert and aware of identity theft schemes that are intended to defraud the Medicare program. Although this program is run by the federal government, state legislators have been alerted to a scam that could carry a devastating cost.

There have been reports in Indiana, Nebraska, Oklahoma and Georgia of individuals going door-to-door to sign up senior citizens for the Medicare Prescription Drug Cards or to sell them Medigap insurance in exchange for their Medicare numbers. **MEDICARE DOES NOT GO DOOR-TO-DOOR.**

Seniors can protect themselves by doing the following:

- Never give your Medicare, Medicaid, or Social Security number to anyone who comes to your door.
- Never give these numbers to anyone who promises "free services."
- Hang up on telemarketers who ask for any of these numbers or for your bank account number.

Call, toll-free, 1-800-986-3505 to report suspected Medicare fraud and abuse. It will ring into your local Area Agency on Aging. Area Agencies are part of the Medicare fraud prevention project called Senior ESP. All suspected fraud and abuse case information is confidential.





Senator Ford discusses his farmland preservation bill with co-author Senator Bob Jackman. The bill received wide support in the General Assembly, but ultimately failed to pass due to time constraints.

Saving ICHIA

A new law will help protect high-risk patients

Many individuals struggle with the costs and frustrations of health insurance. For those deemed high-risk, the frustration increases as options gradually decrease. High risk patients suffer from a myriad of chronic diseases including hemophilia, HIV/AIDS and kidney failure. Survival depends entirely on access to expensive treatments like dialysis, blood transfusions and transplants. When a person with these health problems loses his or her insurance, the results can be devastating.

In 1981, the legislature created the [Indiana Comprehensive Health Insurance Association \(ICHIA\)](#) to help individuals who do not qualify for Medicare or Medicaid and cannot receive coverage in the commercial health care market due to their high-risk status. The program now serves approximately 9,000 people.

Like a typical insurance policy, participants pay premiums in order to help finance the program. However, unlike typical patients, the expenses of the members of this high risk pool often exceed the amount they pay in premiums. To help cover the losses incurred, the state calculates the net loss and then uses a formula based on a variety of factors to recover the loss among over 200 member insurance companies. In return, participating insurance companies receive tax credits for their losses, which sometimes amount to millions of dollars.

Recently, the program's financial viability came into question, forcing legislators to tackle the issue in the State Tax and Financing Policy Commission during the interim. Leaders from the insurance industry and legislators collaborated on the problem and formulated a measure to heal the ailing system.

[House Enrolled Act 1273](#) restructures the program's funding mechanism to ensure long-term solvency. Beginning Jan. 1, 2005, the bill makes insurers responsible for 25 percent of net losses and the state responsible for 75 percent. The bill eliminates the ability of member insurance companies to accumulate additional tax credits. However, beginning in 2007, insurers can claim up to 10 percent of their accumulated credits each year until the credits are fully utilized.

Previously, the state absorbed 100 percent of the loss via tax credits. This plan will provide adequate funding for the program but will not require state spending beyond levels that have been required to pay tax credits. Both the state and member insurance companies will benefit.

ICHIA provides an invaluable service. For some citizens, survival literally depends on the program's survival. HEA 1273 ensures ICHIA remains a choice for those without other options.

Why Do We Have PROPERTY TAXES?

The property tax is the most difficult tax to comprehend. There has been a lot of talk in the media lately about the property tax situation in Indiana. Some of the issues regarding property taxes can be confusing, and I would like to help clarify some of your frequently-asked questions.

Property taxes fund the majority of local government operations. According to the National Conference of State Legislatures, local government relies upon property taxes for almost 90 percent of its tax revenue. These taxes pay for a variety of services, including teachers' salaries, school buildings, parks, police and fire protection, libraries, poor relief, and other municipal and school functions. In Indiana, state government receives less than one tenth of a percent of all property taxes collected.

Some citizens believe that the property tax is outdated, and unfair to those who have to pay it. Historically, property taxes have funded local governments in the United States since the mid-1800s. Back then, ownership of property was a better indicator of a person's wealth. More property meant more wealth. It was fair to tax a person's land because it was more representative of how much money they earned.

Today, fairness is not so clear. Ownership of property is not always an indication of how much wealth a person has and certainly not indicative of the person's income and ability to pay taxes.

This most recent reassessment evaluated land based upon market value. The Supreme Court ruled that the previous method of reassessment was unfair to homeowners because homes with similar values were assessed differently.

Some citizens have recommended moving toward a system based more on a citizen's ability to pay, such as a higher income and sales tax. No tax is popular, and especially not the income tax, which has not been well-received by the public in the past when it was proposed. Increasing the sales tax also may create more problems because it is not based on one's ability to pay and hurts poor people the most. And right now, an increase of two or three pennies on the dollar is not enough to make up the billions needed in order to eliminate the property tax.

One of the reasons that this move toward elimination of the property tax is difficult for governments is that it is a very stable form of revenue. In times of recession, such as the last several years when citizens' income levels were lower, sales and income tax collections decreased and the state has had trouble funding essential government programs and services.



Senator Ford welcomes students from District 19 who served as pages during the 2004 session. Students from 6th grade through graduate school may schedule one day during the legislative session to visit the Statehouse and serve as a Senate page. Paging is a good way for students to learn about state government through firsthand experience.

SENATE ENROLLED ACT 1

The General Assembly passed Senate Enrolled Act 1 in December to assist with property tax relief.

What SEA 1 Does:

- Allows counties to waive penalties assessed for late payment of property taxes
- Allows taxpayers to pay their property taxes in installments
- Extends filing deadline for existing property tax deductions and exemptions
- Streamlines the property tax appeal process to make it easier for taxpayers
- Requires approval from elected officials of significant property tax increases by non-elected boards, such as libraries
- Requires assessors to use most-favorable assessment method for rental properties

Legislators want to help those with high property tax bills. In the 2002 special session, the legislature raised the sales tax a penny and dedicated all of the money to property tax relief for homeowners. Currently, one third of the state budget goes toward property tax relief, dedicating over \$3.6 billion a year.

We have worked to solve those problems that can be fixed immediately. We'll continue to explore ways to reduce the reliance on property tax and work toward solutions that reflect the concerns of all citizens across Indiana.

JOBS continued from page 1

Economic Importance:

The Fund will match federal grants for small-sized technology-based businesses to accelerate the commercialization of new discoveries in the life sciences, information technology, advanced manufacturing, or logistics industries.

Improves rules regarding Community Revitalization Enhancement Districts (CREDS).

Economic Importance:

CREDS are important economic development tools for the downtown areas of our cities. Expanding and improving CREDS will further these efforts.

Allows local governments to assess an annual fee to recipients of tax abatements.

Economic Importance:

The fee would be used by local economic development boards to help provide more jobs within the area. It would help small rural communities that do not have big budgets for economic development.

Repeals the sales tax on complimentary hotel rooms.

Economic Importance:

Indiana will be more competitive with other states in attracting tourism and convention business.

The provisions mentioned are only several of many economic development bills filed this session. We will continue our effort to provide Indiana with the tools needed to improve our economic climate.

SENATE BILL 274 — Allows a county or municipality that gives tax abatements to impose an annual fee with the agreement of the property owner. Good for economic development, especially in rural areas. **AMENDED INTO HEA 1365. My vote: YES**

SENATE BILL 362 — Creates a voluntary farmland protection program to be administered by the Indiana Land Resource Council. Freezes assessed value of land to be classified in the protection program. **FAILED. My vote: YES**

HOUSE ENROLLED ACT 1082 — Requires a review of entries in the Missing Children Clearinghouse within 60 days after the review required by laws governing reports made to the National Crime Information Center (NCIC). **PASSED. My vote: YES**

HOUSE ENROLLED ACT 1194 — Opens state records regarding a child who died as a result of abuse, abandonment, or neglect. Requires extensive background checks on all members of a household for temporary and permanent placements. **PASSED. My vote: YES**

SENATE JOINT RESOLUTION 7 — Would have begun the process of amending the state constitution to define marriage as the union of one man and one woman. Because it failed in the House, the earliest the provision could appear on the ballot is 2008. **FAILED. My vote: YES**

SENATE ENROLLED ACT 86 — Allows a voter to check "address unchanged" box on poll list instead of writing entire address when signing in to vote. Would save voters time when polls are crowded. **PASSED. My vote: YES**